

Part III.
Sales and Use Taxes.

Sec. 24. G.S. 105-164.13(18) is amended by deleting the phrase “one hundred fifty dollars (\$150.00)” and substituting the phrase “one thousand five hundred dollars (\$1,500)”.

Sec. 25. G.S. 105-164.13 is amended by adding two new subdivisions to read:

“(38) Food and other items lawfully purchased with coupons issued under the Food Stamp Program, 7 U.S.C. § 51, and supplemental foods lawfully purchased with a food instrument issued under the Special Supplemental Food Program, 42 U.S.C. § 1786.

“(39) Sales of paper, ink, and other tangible personal property to commercial printers and commercial publishers for use as ingredient or component parts of free circulation publications, and sales by printers of free circulation publications to the publishers of these publications. As used in this subdivision, the term ‘free circulation publications’ means shoppers’ guides that:

- (1) Are published on a periodic basis at recurring intervals;
- (2) Are mailed or are distributed house-to-house, by street distributors, in racks, or in any other manner at other locations without charge to the recipient;
- (3) Contain advertising of a general nature; and
- (4) Make space available to all advertisers for the purpose of inducing readers to purchase the goods and services of the advertisers.

The term does not include house organs or trade, professional, or similar types of publications. The ratio of news to advertising in a publication is not a factor in determining whether the publication is a free circulation publication.”

Sec. 26. G.S. 105-164.16 is rewritten to read:

“§ 105-164.16. *Report and payment of taxes.*—(a) *Payment.* Taxes levied under this Article are due when a return is required to be filed. Every taxpayer liable for the tax imposed by this Article shall, within the specified time after the end of the appropriate reporting period, submit a return to the Secretary, on a form prescribed by the Secretary, stating the taxpayer’s gross sales for the reporting period, the amount and type of sales made in the period that are exempt from tax under G.S. 105-164.13 or are elsewhere excluded from tax, the amount of tax due, and any other information required by the Secretary. Each return shall be accompanied by a payment to the Secretary for the amount of taxes shown to be due on the return and shall be signed by the taxpayer or his agent. Returns that do not contain the required information shall not be accepted. When an unacceptable return is submitted, the Secretary shall require a corrected return to be filed.

(b) *General Reporting Periods.* Returns of taxpayers who are required to report on a monthly or quarterly basis are due within 15 days after the end of each monthly or quarterly period. Returns of taxpayers who are required to report on a bimonthly basis are due within 10 days after the end of each bimonthly period.

A taxpayer who is consistently liable for less than twenty-five dollars (\$25.00) a month in State and local sales and use taxes may, with the